UNITED
NATIONS

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Security Council

Distr.
GENERAL

S/1997/148
24 February 1997

ORIGINAL: ENGLISH

REPORT OF THE SECRETARY-GENERAL ON THE UNITED NATIONS TRANSITIONAL ADMINISTRATION FOR EASTERN SLAVONIA, BARANJA AND WESTERN SIRMIUM

I. INTRODUCTION

1. The present report is submitted pursuant to paragraph 6 of Security Council resolution 1079 (1996) of 15 November 1996, in which the Council requested the Secretary-General to report on the situation in the region of Eastern Slavonia, Baranja and Western Sirmium (hereafter referred to as the region) which is under the administration of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES).

II. POLITICAL ASPECTS

2. In the statement by its President of 31 January 1997 (S/PRST/1997/4) the Council, inter alia, expressed agreement with the view of the Transitional Administrator that the rights and guarantees outlined in the letter of 13 January 1997 from the Government of Croatia (S/1997/27, annex), if fully implemented, constitute a solid basis for the holding of elections simultaneously with nationwide elections in Croatia. Following consultations with the Government of Croatia, the Transitional Administrator has decided that elections in the region will be held on 13 April 1997, simultaneously with elections to be held throughout Croatia. This date gives UNTAES an additional four weeks from the 16 March date mentioned in the letter of the Croatian Government to complete the necessary technical preparations for the holding of elections.

3. With the announcement of the elections, UNTAES has entered a most critical phase of its mandate. Success will be determined by the extent to which the Serb leadership and people demonstrate wisdom and realism and by the will and ability of the Government of Croatia to meet all technical requirements for the holding of free and fair elections. Long-term success will be determined by the Croatian authorities' commitment to reconciliation and to ensuring that those Serbs who are currently resident in the region will enjoy equal rights as Croatian citizens. UNTAES is encountering challenges in all these areas.

4. Within the region, UNTAES has reported a growing rift between moderate Serb leaders who wish to stay in Croatia and take full advantage of the provisions of

the Croatian Government's letter, and others who are intimidating the majority of residents and obstructing the exercise of their rights. Moderate Serb leaders have expressed willingness to participate in elections if progress can be made on redrawing a number of local municipal electoral boundaries which had been redrawn in 1991-1992 to leave Serbs in minority positions in several municipalities. They have also sought clarification of the functions and powers of institutions and positions outlined for Serbs in the Croatian Government's letter.

5. Throughout January, under instructions from the Regional Assembly, Serb negotiators participated minimally in all joint negotiating bodies. On 5 February, following intensive meetings with the Transitional Administrator and consultations in Belgrade, the Regional Assembly endorsed the resumption of political negotiations. The Assembly also urged Serbs to stay in the region, acknowledged the necessity of holding elections once all preconditions were met, and sought guarantees concerning implementation of the amnesty law and long-term international monitoring.

6. While the decision of the Regional Assembly was encouraging, certain leaders continued to mobilize sections of the population, particularly displaced persons, and to spread false rumours to the effect that the international borders would be closed. This created an atmosphere of political agitation and uncertainty and caused a substantial increase in families leaving the region or sending their belongings to the Federal Republic of Yugoslavia (see para. 24 below). In early February, daily peaceful demonstrations commenced in Vukovar and other towns, during which the demonstrators accused UNTAES of taking sides with the Croatian Government against Serbs. Despite this agitation, by 10 February, 21 Croatian Government document offices were operating throughout the region and were issuing up to 8,000 documents weekly.

7. Between 8 and 17 February, the Transitional Administrator pursued intensive consultations with President Tudjman, President Milosevic, local leaders, Croatian and Serb church leaders and others to seek their commitment to the elections. President Milosevic expressed his full support for the holding of early elections to allow UNTAES more time for monitoring the situation in the region in the post-election period. He also stressed that his main interest was to prevent a mass flow of refugees and displaced persons out of the region, and undertook to accelerate bilateral negotiations with Croatia on issues of particular concern to the region. These issues include opening economic links, abolishing the visa regime with Croatia, delimiting the international border and permanently demilitarizing the border area. The Government of Croatia responded positively to these proposals and agreed to enter into bilateral meetings at the Foreign Minister level.

8. On 31 January, UNTAES and the Government of Croatia agreed on expedited procedures for voter registration and on the issuance of Croatian documents in the region. Regrettably, implementation of these procedures has been uneven and the dates promised for new procedures have slipped. Although the Government has made serious efforts to resolve the delays in the issuance of documents, UNTAES has noted cases of applications pending for over two months. Serbs have expressed concern that documents issued in the region bear unique markings which cast doubt on their validity and usefulness in the long term, particularly after

the departure of UNTAES. In a statement dated 6 February, the Croatian Foreign Ministry contended that, as at 3 February 1997, the Government had issued 57,143 documents to the residents of the Danube region of Croatia, out of 68,310 requests, and that the issuance rate of 84 per cent was exceptionally high considering that the Government often lacked the needed verifying documents from the areas under Serb control. That claim notwithstanding, Croatian statistics on documents issued remain imprecise and do not differentiate between those actually issued and those denied. Consequently, UNTAES is unable to verify which percentage of the eligible voting population has received the documents needed to vote. It is clear, however, that most males of draft age have not been able to obtain Croatian passports.

9. As the date of elections draws near, it is vital that crucial issues concerning the long-term future of displaced persons in the region be resolved. On 13 February, the Transitional Administrator wrote to the Government of Croatia to seek its commitment to the effective implementation of the right of all residents in the region to equal treatment with respect to housing and access to reconstruction grants and loans and to property compensation. He presented to the Government an outline of a "Start-up and recovery package for displaced persons" drafted jointly with the United Nations High Commissioner for Refugees, which will enable Serbs to return home or to build a new life in Croatia. Response to this initiative is awaited.

III. MILITARY ASPECTS

10. The military situation has remained generally calm but tension in the southern part of the region increased in late January. On 31 January, a member of the UNTAES military component was killed when a local resident believed to be mentally unstable fired at United Nations vehicles near UNTAES headquarters in Vukovar. Although this appears to have been an isolated criminal act, it was the first UNTAES casualty as a result of deliberate hostile action.

11. UNTAES troops and military observers have continued to fulfil their mandate and have provided escorts and security for an increasing number of civilian projects which require Croatian officials to work in the region. The Ukrainian light infantry group and the Polish Special Police contingent (which arrived in late 1996) have made a valuable addition to UNTAES security capabilities. The UNTAES military component is closely involved in security preparations for the elections.

12. Since its inception on 2 October 1996, the weapons buy-back programme that is financed by the Government of Croatia and organized by the UNTAES military component has collected over 15,000 weapons and 435,000 rounds of ammunition. Nevertheless, it is believed that considerable quantities of small arms and ammunition remain in private hands.

IV. CIVILIAN ASPECTS

13. Progress in the Joint Implementation Committees has been slow mainly because of delays by local Serb authorities. The Transitional Administrator has emphasized to the Serbs that they must adhere to the deadline of 28 February for

the reintegration of public enterprises into the Croatian economy. This requires the identification of Serb employees willing to work in Croatian public enterprises, the identification of management positions, and documentation of the assets and liabilities of publicly owned companies in the region. On 14 February, the Government of Croatia issued an additional affidavit of employment, in which it guaranteed the continued employment of Serb employees in public enterprises to be reintegrated, including health institutions.

14. Significant progress has been recorded in other areas of civil affairs activity. On 15 December 1996, UNTAES commenced a sponsored visits programme, which enables individuals with Croatian documents to enter or leave the region for visits of up to seven days. On average, 2,500 people use the programme each week. A commercial bus service was opened on 16 December between Osijek in Croatia and Mohac in Hungary, with transit through Baranja. Over 4,000 people have utilized this service.

15. In recent weeks, approximately 6,200 pensioners have each received advances of 500 kuna from the Government of Croatia during an initial 10-day programme. The programme was interrupted by demonstrations by hardline elements in two villages and pensions could not be paid at four sites. A second round of payments commenced on 13 February.

16. As part of the steps to pursue economic reintegration, four petrol stations in the region were handed over to the Croatian oil company INA by the regional oil company NIK. Two of the stations are now operating. Although INA agreed to employ all former employees of NIK, only 69 of the 191 interested employees are at present employed.

17. Despite intensive efforts by the Office of the United Nations High Commissioner for Refugees and UNTAES, little progress has been made as regards the return of refugees and displaced persons. Croatian authorities have not addressed the concern of Serb displaced persons who, while expressing a preference to remain in Croatia, are undecided and unsure about their future. The Croatian Office for Displaced Persons and Refugees (ODPR) has not extended its services equally to Serbs by establishing offices throughout the region. Senior ODPR officials have made negative statements to the effect that displaced Serbs will have to move to collective centres on 16 July 1997 and will not be entitled to ODPR support if they choose to vote in the region. Other obstacles include concerns about security for Serb returnees in other parts of Croatia, the very slow pace of demining in villages targeted for Serb returns, shortage of adequate housing due to war damage and the occupation by Bosnian Croats of houses owned by Serbs. The limited possibilities of significant Serb returns elsewhere in Croatia make it more difficult for Croats to return to their homes in the region.

18. Despite repeated suggestions by the Transitional Administrator for the formation of a single association of both Croat and Serb displaced persons to address their common interests, the Croatian side has so far not been willing to take this step. Nevertheless, it has indicated an interest in the formation of a joint Croat and Serb displaced-person coordination group after the elections.

A. Elections

19. The Electoral Unit has been actively engaged in establishing the conditions for free and fair elections in the region on 13 April 1997. In the Joint Implementation Committee on Elections, codes of conduct for political participants, election administrators and the media are near finalization. Regular meetings with the Croatian Election Commission have been instituted to coordinate and review progress in election operations and logistics. Information sessions for political leaders from the Croat and Serb communities have been organized. However, political parties representing the interests of the local communities are only now emerging to register for the elections.

20. Voter registration of displaced persons in the region commenced on 4 February. To date, only a small proportion of these have registered their choice of the local body for which they are eligible to vote. Voter registration processes have been monitored by UNTAES officers. Implementation of registration procedures by Croatian officials has been inconsistent, particularly with regard to documents supporting an applicant's identity card and current address for registration.

21. The Serb community has not yet nominated representatives to the local elections commissions, which will be responsible for the conduct of elections in each municipality in the region. Civic and voter education activities have been adversely affected by delays in agreements on election processes. This may have caused some confusion in the community regarding voter registration. At current documentation and voter registration rates, a significant proportion of the population of the region will not have taken the necessary steps to appear on voters' lists in time for the election. Verification of voters' list data has been difficult and full integrity checks may not be possible. Census data has been of poor quality and some other necessary information, including detailed municipal boundary maps and copies of voter registration forms, has not yet been provided by Croatian authorities.

22. Difficulties relating to election logistics remain to be resolved and will require a determined effort on the part of Croatian authorities given the poor condition of existing infrastructure, communications and materials in parts of the region. Voting in absentia by displaced persons both within and outside the region will be a complex exercise whose methodology has yet to be agreed. Sufficient resources have yet to be found for monitoring the operation at voting stations at approximately 150 locations inside, and 78 localities outside, the region.

B. Transitional Police Force

23. The performance of the Transitional Police Force in dealing with crime has continued to improve. However, in cases of Serb demonstrations or similar incidents, the mainly Serb Force remains reluctant to react. UNTAES has taken disciplinary action against both Serb and Croat members of the Force whose professional conduct has been inadequate. The distribution of Croatian citizenship documents to members of the Force is also meeting Serb resistance. Despite special arrangements to provide those documents, only some 200 Serbs in the Force had accepted Croatian citizenship at the time this report was being

prepared. Some of the younger members are apparently being actively discouraged from accepting citizenship by some of their older colleagues. This will have serious implications for the Serb community if it proves impossible to fill the approximately 700 local positions in the Croatian police force in the post-UNTAES period. The ethnic composition of the Transitional Police Force is being adjusted progressively and by the end of March it is expected to include about 700 Croats. In the same timescale, the Serb component will be reduced to achieve an approximate balance in a total force of some 1,500.

C. Border monitors

24. From October 1996 to January 1997 the departure of Serb families, predominantly to the Federal Republic of Yugoslavia, remained small and generally constant. Between 1 and 23 February, UNTAES border monitors counted the departure of 1,836 families (some 7,303 individuals) moving their belongings across the border to the Federal Republic of Yugoslavia (these figures are illustrative rather than precise, as in some cases families make several journeys; many are long-term residents who have returned to the region to await the outcome of the elections). Those who are departing permanently cite concerns about their security in Croatia as the main reason for their decision and fear of an imminent closure of the international borders as the major factor in the timing of their departure. To stem such fears, it has been repeatedly stated that UNTAES will not close the borders to the free movement of persons.

D. Public affairs

25. A priority theme of UNTAES public affairs activity is to explain the political, ethnic and civil rights which have been guaranteed to residents of the region. The deep fear and mistrust of Croatian authority among local Serb residents is difficult to overcome. Psychological harassment from the Croatian side in the form of television and media propaganda, telephone calls and hate mail undermines confidence. The Croatian media covering the mission, however, have reduced their negative reporting and commentary in recent weeks. UNTAES local language bulletins continue to be circulated three times a month and a new radio frequency will be utilized for 24-hour election programmes. Access by UNTAES to local Serb and Croatian television, radio interview and call-in programmes has continued.

V. OBSERVATIONS

26. The Transitional Administrator considers that, with the full cooperation of the parties, 13 April 1997 is a realistic and achievable date for the holding of free and fair elections in the region. It provides sufficient time for the residents to take documents, register, organize political parties and campaign. The political framework for elections, including the rights and guarantees contained in the letter of 13 January 1997 (S/1997/27, annex) from the Government of Croatia, offers the residents of the region the prospect of full participation in Croatian political life as equal citizens. Failure by the Serb community to participate in elections and take advantage of those rights and guarantees will only work against that community's best interests. I therefore

call upon the residents of the region to consider carefully their options, to follow wise leadership and to take up their future as citizens of the Republic of Croatia.

27. The holding of the elections will also depend on the readiness of the Government of Croatia to meet all preconditions, including the issuance of documents, provision of data and timely completion of the technical arrangements required for certification. While there has been progress, concerns are emerging about irregularities in the issuance of documents and the registration of voters. However, if the parties approach these issues constructively, there remains sufficient time to address these difficulties, including the question of local electoral boundaries which appear to put the Serbs at a substantial disadvantage.

28. I am concerned about the recent increase in the number of people leaving the region, which could constitute a threat to international efforts to promote peace both in the region and in the wider area. To a large measure, the success of peaceful reintegration and the proof of Croatian good intent will be determined by the confidence-building measures that Croatia takes. The Government of Croatia has not yet publicly confirmed the oral guarantees made to UNTAES, as specified in my letter of 21 January 1997 to the Security Council (S/1997/62). Those guarantees relate to international monitoring of the implementation of the commitments outlined in their letter of 13 January 1997 and to a favourable consideration of applications for the second period of deferment of military service. Croatia has also not yet responded to the Council's encouragement to reaffirm its obligations under the provisions of the Croatian Constitution, Croatian law and the Basic Agreement to treat all its citizens equally regardless of their ethnicity.

29. I am also seriously concerned that no progress has been made with respect to the future of displaced persons and the establishment of equal treatment with respect to housing, access to reconstruction grants and loans and to property compensation, as guaranteed by Croatian law.

30. I believe that, were the Government of Croatia to issue, prior to the elections, a formal public confirmation of the guarantees mentioned in paragraphs 28 and 29 above, perhaps along the lines of its affidavit of employment, such a gesture would go a long way towards reassuring its Serb interlocutors and assuaging the fears of those Serbs who are currently inclined to leave the region.

31. I welcome the commitment of the Federal Republic of Yugoslavia and the Republic of Croatia to make progress in their bilateral relations with respect to permanent demilitarization of the border region, delimitation of their common border, abolition of the visa regime and the opening of transport and commercial links. Progress in these areas would contribute substantially to confidence-building and wider regional security.